

Message Text

UNCLASSIFIED

PAGE 01 BONN 11704 151034Z
ACTION EUR-12

INFO OCT-01 ISO-00 PA-02 PRS-01 AID-05 CIAE-00 COME-00
EB-07 FRB-01 INR-07 NSAE-00 USIA-15 XMB-04
OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 /096 W
-----065924 152016Z /64

R 151020Z JUL 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 9846
DEPARTMENT TREASURY
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

UNCLAS BONN 11704

USEEC, USOECD

E.O. 11652: N/A
TAGS: ECON, EFIN, GW
SUBJECT: GERMAN PRESS REPORTS ON SCHMIDT/BLUMENTHAL
MEETING

1. TODAY'S "DIE WELT" FRONT-PAGES A REPORT ON THE
SCHMIDT/BLUMENTHAL MEETING WITH THE HEADLINE "BLUMENTHAL
ALLOWS HIMSELF TO BE CONVERTED". ACCORDING TO "DIE WELT"
THE TALK BETWEEN SCHMIDT AND BLUMENTHAL RESULTED IN
REMOVING THE CONTROVERSY REGARDING BUSINESS CYCLE POLICY
BETWEEN GERMANY AND THE U.S. WHICH HAD RESULTED FROM
THE REPEATED ASSERTIONS FROM THE U.S. THAT THE FEDERAL
REPUBLIC DID NOT DO ENOUGH TO CONTRIBUTE TO THE
STIMULATION OF THE WORLD ECONOMY. SCHMIDT, ACCORDING
TO THE PAPER, EXPLAINED THE ADDITIONAL MEASURES TAKEN
BY THE FEDERAL REPUBLIC SINCE THE LONDON SUMMIT AND
DID NOT RECEIVE AN ANSWER FROM BLUMENTHAL WHEN
HE ASKED WHAT ADDITIONAL BUSINESS CYCLE MEASURES
THE FEDERAL REPUBLIC SHOULD NOW TAKE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 11704 151034Z

2. ACCORDING TO THE PAPER, COMPLETE AGREEMENT ALSO
WAS REACHED CONCERNING THE WORLD ECONOMIC SITUATION AND
THAT THE DEVELOPMENTS IN THE VARIOUS ECONOMIES
DEVELOPMENTS IN THE VARIOUS ECONOMIES
CORRESPOND TO THE PLAN AGREED UPON AT LONDON, ACCORDING
TO WHICH INDUSTRIAL NATIONS WITH HIGH FOREIGN

EXCHANGE RESERVES SHOULD EXPAND WITHOUT INFLATION WHILE DEFICIT COUNTRIES WORK FOR ADJUSTMENT THROUGH MORE STABILITY. SCHMIDT AND BLUMENTHAL ALSO UNDERLINED THE COMMON INTEREST IN FREE INTERNATIONAL TRADE. IT WAS AGREED THAT THE DISCUSSIONS FOR FURTHER LIBERALIZATION IN GENEVA SHOULD BE PRESSED AHEAD IN THIS DIRECTION. THE EC WILL PARTICULARLY WORK FOR A HARMONIZATION OF INDUSTRIAL CUSTOMS DUTIES.

3. THE "FRANKFURTER ALLGEMEINE" IN A SIMILAR REPORT UNDERLINES THAT NO AMERICAN DEMANDS WERE MADE THAT BONN SHOULD DO MORE TO REACH THIS YEAR'S 5 PERCENT REAL GROWTH TARGET AGREED IN LONDON. ACCORDING TO THE PAPER SCHMIDT LEAVES WASHINGTON WITH THE IMPRESSION THAT HIS CLEAR ANALYSIS OF THE GERMAN SITUATION AND POSSIBILITIES MADE AN IMPRESSION ON HIS PARTNERS AND HAS HELPED THEM TO UNDERSTAND THAT BONN'S POLICY IS DIRECTED MAINLY TO A LONG-TERM REDUCTION IN UNEMPLOYMENT WHILE AT THE SAME TIME MAINTAINING STABILITY. THE PAPER ALSO INDICATES THAT SCHMIDT SPECIFICALLY ASKED WHETHER WASHINGTON HAS SUGGESTIONS FOR ADDITIONAL GERMAN ECONOMIC MEASURES BUT RECEIVED NO ANSWER SINCE BONN'S CONDUCT WAS EXEMPLARY IF MEASURES ON DOMESTIC AND FOREIGN ECONOMIC DEVELOPMENT. THE CHANCELLOR ALSO EXPRESSED DURING THE CONVERSATION WITH BLUMENTHAL HIS CONCERN REGARDING THE DEVELOPMENT OF THE AMERICAN CURRENT ACCOUNT, PARTICULARLY

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 11704 151034Z

BECAUSE OF THE DESTABLIZING EFFECT THIS COULD HAVE ON FOREIGN EXCHANGE MARKETS.

CASH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ECONOMIC CONDITIONS, FINANCE, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BONN11704
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770252-1099
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770755/aaaabuyf.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8961566b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1853453
Secure: OPEN
Status: NATIVE
Subject: GERMAN PRESS REPORTS ON SCHMIDT/BLUMENTHAL MEETING
TAGS: ECON, EFIN, SOPN, GE
To: STATE TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8961566b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009